



# House of Representatives

General Assembly

**File No. 324**

February Session, 2010

Substitute House Bill No. 5360

*House of Representatives, April 6, 2010*

The Committee on Human Services reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING CHILDREN IN THE RECESSION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) The Child Poverty and  
2       Prevention Council, established pursuant to section 4-67x of the  
3       general statutes, shall establish a children in the recession leadership  
4       team subcommittee to implement and coordinate the state's emergency  
5       response to children affected by the recession. The subcommittee shall  
6       include, but not be limited to, the following members, or their  
7       designees: The Commissioners of Public Health, Education, Children  
8       and Families, Social Services, Higher Education and Developmental  
9       Services, the Labor Commissioner and the chairman of said council.  
10      The leadership team subcommittee may meet at any time, except that  
11      such leadership team subcommittee shall meet monthly if (1) the  
12      unemployment rate of the state is greater than eight per cent for the  
13      preceding quarter; or (2) there is a decline in the gross domestic  
14      product of more than two per cent since the preceding quarter.

15      (b) The children in the recession leadership team subcommittee

16 shall work in consultation with other government agencies to  
17 implement an emergency response, within available appropriations,  
18 that (1) mitigates the long-term impact of economic recessions on  
19 children; (2) provides appropriate assistance and resources to families  
20 to minimize the number of children who enter poverty and the impact  
21 of the recession that extends into adulthood through lost earnings and  
22 poor health; and (3) reduces human and fiscal costs of recessions,  
23 including foreclosures, child hunger, family violence, school failure,  
24 youth runaways, homelessness, child abuse and neglect. The  
25 leadership team subcommittee shall develop and implement policies,  
26 practices and procedures that reduce the impact of the recession on  
27 children, in both fiscal and personal terms, through (A) improved  
28 program and policy coordination; (B) cross-agency strategic planning;  
29 (C) increased efficiencies and access points for agency clients; (D)  
30 streamlined communications for families needing to access state  
31 services; (E) short-term changes in procedures as needed to decrease  
32 family crisis and poverty; (F) coordinated outreach; and (G) federal  
33 funds maximization, including all opportunities for employability and  
34 education.

35 (c) For purposes of this section, the children in the recession  
36 leadership team subcommittee shall utilize, within available  
37 appropriations, the following strategies to mitigate the impact of the  
38 recession on children: (1) Share resource information and strategic  
39 planning to address the immediate human and fiscal costs arising from  
40 the recession; (2) train pertinent personnel on the availability of  
41 services, access points and interventions across agencies, including  
42 child trauma treatment, to help families reach and utilize necessary  
43 services; (3) link job training and education pathways and  
44 opportunities; (4) create and implement a plan to identify and support  
45 families who are at increased risk of abuse or neglect in the declining  
46 economy; (5) develop and implement efforts to coordinate outreach,  
47 increase and improve access, establish multiple enrollment sites where  
48 feasible and in response to the urgent need for services resulting from  
49 the recession, reduce current response times to clients and new  
50 applicants for safety net programs, including, but not limited to, the

51 federal Supplemental Nutrition Assistance Program, the federal  
52 Special Supplemental Food Program for Women, Infants and Children,  
53 the temporary family assistance program, the child care subsidy  
54 program, heating and rental assistance, eviction prevention services  
55 and free and reduced preschool meal programs; (6) identify  
56 regulations to be revised and procedures to be streamlined to increase  
57 access to such programs; (7) maximize the availability of targeted case  
58 management and intervention services; and (8) maximize all federal  
59 opportunities in financing to assist families with jobs and services in  
60 the recession.

61 (d) Not later than January 1, 2011, and biannually thereafter, a  
62 representative of the children in the recession leadership team  
63 subcommittee shall appear before a joint meeting of the select  
64 committee of the General Assembly having cognizance of matters  
65 relating to children and the joint standing committees of the General  
66 Assembly having cognizance of matters relating to appropriations and  
67 the budgets of state agencies and human services and make an oral  
68 report on (1) progress in implementing the provisions of this section;  
69 and (2) other government actions taken to reduce the impact of the  
70 recession on children and families in the state. The leadership team  
71 subcommittee shall not be required to make an oral report if the  
72 leadership team subcommittee has not met during the preceding  
73 biannual period.

74 Sec. 2. (NEW) (*Effective from passage*) (a) The Department of Social  
75 Services, in consultation with the Labor Department and the  
76 Departments of Education, Public Health and Children and Families,  
77 shall seek, within available appropriations, to promote efficiency,  
78 reduce costs and administrative error rates and simplify the  
79 application process for families eligible for benefits by streamlining  
80 and integrating public information and access to programs.

81 (b) For the purpose of subsection (a) of this section, the Department  
82 of Social Services shall develop, within available appropriations, a plan  
83 for a comprehensive state service approach that may include (1) a

84 single-point-of-entry procedure for state-funded programs and  
85 services to provide information and access to eligible services through  
86 whatever state agency entry point at which the client seeks  
87 information, including the Departments of Social Services, Public  
88 Health, Education and Children and Families, and the Labor  
89 Department, and, including, but not limited to, the Supplemental  
90 Nutrition Assistance Program, child care assistance, unemployment  
91 and medical assistance and insurance; (2) the development and  
92 promotion of a single simplified, on-line application and enrollment  
93 process for programs that serve children or families; (3) the use of the  
94 Internet to develop and increase public access to on-line screening  
95 tools, benefit calculators and on-line applications that facilitate prompt  
96 access to programs and benefit information; and (4) the promotion of  
97 access to direct assistance with application and enrollment processes  
98 through community-based organizations. Not later than January 31,  
99 2011, the department shall submit the plan to the joint standing  
100 committee of the General Assembly having cognizance of matters  
101 relating to human services and to the select committee of the General  
102 Assembly having cognizance of matters relating to children. The  
103 department may consult with philanthropic organizations to  
104 accomplish the purposes and financing of this section.

105 (c) The Department of Social Services shall develop, in accordance  
106 with the provisions of federal law, a client-friendly and reasonable  
107 timeline within which applications shall not be required to be  
108 resubmitted if a family recently applied for services and changes in  
109 eligibility temporarily have altered the application process or the  
110 program closed to applications and then reopened.

111 Sec. 3. (NEW) (*Effective from passage*) The Department of Social  
112 Services, within available appropriations, shall seek to help parents  
113 work, job train or look for employment while children are safe and  
114 learning. The department shall provide timely public notice if, for any  
115 reason, the child care subsidy program is not available to all eligible  
116 families or its eligibility or program status is altered. Any change in  
117 eligibility or program terms shall be effective not less than sixty days

118 after public notice of such change. Funds available for the child care  
119 subsidy program for the fiscal year ending June 30, 2010, shall be  
120 strictly and fully utilized for child care purposes that enable parents to  
121 work and children to thrive.

122       Sec. 4. (NEW) (*Effective from passage*) (a) The Department of Social  
123 Services, in consultation with the Departments of Education, Children  
124 and Families, Higher Education and Economic and Community  
125 Development, shall seek, within available appropriations, to impede  
126 homelessness, which increases insecurity, poor school performance  
127 and behavioral problems for children, by (1) continuing the rental  
128 assistance program allowing families to afford housing; (2) promoting  
129 foreclosure prevention and mitigation through the Connecticut  
130 Housing Finance Authority, the Connecticut Fair Housing Center and  
131 the Department of Economic and Community Development; and (3)  
132 providing incentives to towns that promote affordable housing.

133       (b) In the case where a family or youth is homeless, the Department  
134 of Social Services, in consultation with said departments and within  
135 available appropriations, shall (1) seek full utilization of the federal  
136 McKinney-Vento Homeless Assistance Act to protect children falling  
137 into homelessness from school failure and dropping out of school and  
138 to improve access to higher education eligibility; (2) allocate existing  
139 funding to ensure the availability of homeless shelters that accept  
140 intact families or that assist families to find adequate alternative  
141 arrangements that allow the family to remain together; (3) review  
142 program eligibility requirements and other policies to ensure that  
143 unaccompanied homeless children have access, to the fullest extent  
144 practicable, to critical services that such children might otherwise have  
145 been prevented from receiving due to age or guardianship  
146 requirements; and (4) work, in accordance with the provisions of  
147 federal law, with appropriate state agencies to effectuate short-term  
148 waivers of income garnishment by such state agencies in order to  
149 protect children and families from hardship and keep families together  
150 in cases where such waivers are deemed appropriate by the  
151 commissioner of the department attempting to secure a garnishment.

152       Sec. 5. (NEW) (*Effective from passage*) The Department of Social  
153       Services shall consult with the Departments of Public Health and  
154       Education to decrease hunger resulting from the recession by  
155       coordinating, within available appropriations, state-wide public access,  
156       information and outreach, and promoting, within available  
157       appropriations, cross-enrollment and collocation of entry points and  
158       application processes for the federal Supplemental Nutrition  
159       Assistance Program and the federal Special Supplemental Food  
160       Program for Women, Infants and Children in order to improve  
161       nutritional access for families, increase federal reimbursements and  
162       diminish the effects of food insecurity on children's cognition,  
163       behavior, developmental growth and educational achievement.

164       Sec. 6. (NEW) (*Effective July 1, 2010*) (a) The Department of  
165       Education shall administer, within available appropriations, a child  
166       nutrition outreach program to increase (1) participation in the federal  
167       School Breakfast Program, federal Summer Food Service Program and  
168       federal Child and Adult Care Food Program, and (2) federal  
169       reimbursement for such programs.

170       (b) The child nutrition outreach program shall:

171       (1) Encourage schools to (A) participate in the federal School  
172       Breakfast Program; (B) employ innovative breakfast service methods  
173       where students eat their breakfast in their classrooms or elsewhere  
174       after school starts, rather than only before school and only in the  
175       cafeteria; and (C) apply to the in-classroom breakfast grant program  
176       pursuant to section 10-215g of the general statutes;

177       (2) (A) Encourage local and regional school districts to sponsor  
178       Summer Food Service Program sites; (B) recruit other sponsors of such  
179       sites; and (C) make grants to site sponsors to assist them in increasing  
180       child participation;

181       (3) Encourage day care centers to participate in the Child and Adult  
182       Care Food Program; and

183 (4) Publicize the availability of federally-funded child nutrition  
184 programs throughout the state.

185 Sec. 7. (NEW) (*Effective from passage*) (a) The Department of Social  
186 Services shall maximize federal fund opportunities from the  
187 Temporary Assistance for Needy Families Emergency Fund  
188 established pursuant to the American Recovery and Reinvestment Act  
189 P.L. 111-5, in order to assist families and workers facing  
190 unemployment, housing crises, increasing debt, homelessness or other  
191 hardships. The department shall seek to utilize, in accordance with the  
192 provisions of federal law:

193 (1) The nonrecurrent, short-term benefits category of the Temporary  
194 Assistance for Needy Families Emergency Fund for eligible purposes,  
195 including, but not limited to, housing, transportation, work expenses,  
196 family safety, low-birth weight reduction, food and nutrition. The  
197 benefits funded pursuant to this subdivision may include, but not be  
198 limited to, mortgage assistance, eviction relief, car repair, work clothes,  
199 domestic violence services, home visitation, on-the-job training and  
200 TANF extensions for parents who are unable to find employment; and

201 (2) The subsidized employment category of the Temporary  
202 Assistance for Needy Families Emergency Fund for eligible purposes,  
203 including, but not limited to, youth employment programs and the  
204 alleviation of specific labor shortages and state worker shortages  
205 where the jobs created help families apply for state services.

206 (b) The department shall work with the private sector, including  
207 philanthropic, business and nonprofit agencies as well as any  
208 consortium of such groups, for eligible purposes and as third-party  
209 participants to qualify for, access and maximize federal funding from  
210 said emergency fund through donation, in-kind spending and training  
211 of subsidized workers.

212 (c) The department shall implement the provisions of this section  
213 within available resources.

214 Sec. 8. (NEW) (*Effective from passage*) Not more than sixty days after  
215 the effective date of this section, the Department of Social Services,  
216 within available appropriations and in accordance with the provisions  
217 of federal law, shall establish and implement a procedure for the  
218 following modification in the temporary assistance of needy families  
219 program whenever the state unemployment rate exceeds eight per cent  
220 for the preceding three months: The Jobs First program shall permit  
221 and encourage parents to pursue education and training and shall  
222 approve, as work activities, two-year and four-year degree programs.  
223 A recipient shall be eligible for assistance under the modification for at  
224 least six months even if the state unemployment rate for subsequent  
225 quarters does not exceed eight per cent. The department shall seek  
226 federal support to pay for such modifications through funds provided  
227 from the federal Temporary Assistance for Needy Families Emergency  
228 Fund.

229 Sec. 9. (NEW) (*Effective from passage*) The Department of Public  
230 Health, within available appropriations and in consultation with the  
231 Departments of Social Services and Education, shall endeavor to  
232 prevent the increase in low-birth-weight infants resulting from the  
233 recession, to reduce the cost to the state from unnecessary  
234 hospitalizations of such infants, as well as the health and cognitive  
235 injury to children resulting from such condition, and to decrease the  
236 growing racial disparity in the rates of occurrence of low-birth-weight  
237 infants by (1) maximizing coenrollment in the federal Special  
238 Supplemental Food Program for Women, Infants and Children and  
239 Medicaid for all eligible women; (2) encouraging tobacco cessation  
240 programs targeted to pregnant women; and (3) promoting the use of  
241 the centering pregnancy model of prenatal care. The department may  
242 recover the costs of implementing the provisions of this section  
243 through funds available from the Tobacco and Health Trust Fund  
244 established under section 4-28f of the general statutes and the federal  
245 Temporary Assistance for Needy Families Emergency Fund.

246 Sec. 10. (NEW) (*Effective July 1, 2010*) (a) As used in this section:



247 (1) "Eligible student" means (A) any student enrolled in an  
248 accredited institution of higher education in this state; or (B) any  
249 resident of this state enrolled in an accredited institution of higher  
250 education; and

251 (2) "Qualifying loan" means a loan to an eligible student that is (A)  
252 originated by a participating bank, credit union or other entity; (B)  
253 subject to the participating bank's, credit union's or entity's  
254 underwriting standards applicable to student loans; (C) subject to an  
255 interest rate not exceeding six per cent per annum for loans; and (D)  
256 disbursed not later than July 1, 2011.

257 (b) The Connecticut Health and Educational Facilities Authority,  
258 within available appropriations and in consultation with the  
259 Department of Higher Education, shall establish a partnership with  
260 Connecticut banks, Connecticut credit unions or other entities for the  
261 provision of qualifying loans to eligible students who experience  
262 difficulty in obtaining financing for post-secondary education because  
263 of more restrictive underwriting criteria, reduced access to home  
264 equity loans or decreased market value of homes.

265 (c) The Connecticut Health and Educational Facilities Authority  
266 shall allocate from its reserves an amount not to exceed one million  
267 five hundred thousand dollars in the aggregate for purposes of  
268 guaranteeing qualifying student loans under the program established  
269 in subsection (b) of this section. The funds so allocated shall be held by  
270 the authority in a separate account and such funds shall revert to the  
271 authority's general reserves at such time as the funds are no longer  
272 needed to be held for the program. Said account shall be used to  
273 provide a first loss guarantee to participating banks, credit unions or  
274 entities not to exceed twenty per cent of the outstanding principal  
275 amount of qualifying student loans originated by such credit unions.  
276 The amount of any individual loan guaranteed by the authority shall  
277 not exceed twenty per cent of the original principal balance thereof.

278 Sec. 11. Section 10a-194j of the 2010 supplement to the general  
279 statutes is repealed and the following is substituted in lieu thereof

280 (Effective from passage):

281 (a) As used in this section:

282 (1) "Credit Union League of Connecticut Student Loan Program" or  
283 "program" means a program operated by the Credit Union League of  
284 Connecticut that offers low interest rate loans to students who  
285 experience difficulty obtaining financing for post-secondary education  
286 because of more restrictive underwriting criteria, reduced access to  
287 home equity loans or decreased market value of homes;

288 (2) "Eligible student" means (A) any student enrolled in an  
289 accredited institution of higher education in this state, or (B) any  
290 resident of this state enrolled in an accredited institution of higher  
291 education;

292 (3) "Participating credit union" means any credit union in this state  
293 participating in the program; and

294 (4) "Qualifying student loan" means a loan to an eligible student that  
295 is (A) originated by a participating credit union; (B) subject to the  
296 participating credit union's underwriting standards applicable to  
297 student loans; (C) subject to an interest rate not exceeding six per cent  
298 per annum for loans with a one-year deferral of commencement of  
299 payment of interest or subject to an interest rate not exceeding five and  
300 three-quarters per cent per annum for loans without any deferral of  
301 commencement of payment of interest; and (D) disbursed on or before  
302 December 31, 2009, or disbursed at a later date if approved by action of  
303 the board of directors of the authority.

304 (b) The Connecticut Health and Educational Facilities Authority  
305 shall allocate from its reserves an amount not to exceed [three] one  
306 million five hundred thousand dollars in the aggregate for purposes of  
307 guaranteeing qualifying student loans under the Credit Union League  
308 of Connecticut Student Loan Program. The funds so allocated shall be  
309 held by the authority in a separate account to be known as the "Credit  
310 Union League Student Loan Program protection account" and such

311 funds shall revert to the authority's general reserves at such time as the  
312 funds are no longer needed to be held for the program. Said account  
313 shall be used to provide a first loss guarantee to participating credit  
314 unions not to exceed twenty per cent of the outstanding principal  
315 amount of qualifying student loans originated by such credit unions.  
316 The amount of any individual loan guaranteed by the authority shall  
317 not exceed twenty per cent of the original principal balance thereof.

318 Sec. 12. (*Effective from passage*) The Commission on Children in  
319 consultation with the private sector, shall research the viability of  
320 enacting a state children and the recession fund that would provide  
321 funds and low-interest loans to families facing short-term crisis in  
322 housing, utilities, hunger and unemployment. Not later than January  
323 1, 2011, the commission shall report, in accordance with the provisions  
324 of section 11-4a of the general statutes, its findings to the joint standing  
325 committee of the General Assembly having cognizance of matters  
326 relating to appropriations and the budgets of state agencies.

327 Sec. 13. (NEW) (*Effective from passage*) The Commission on Children  
328 shall coordinate information on youth leadership opportunities that  
329 keep youth engaged in the community. The commission shall inform  
330 the General Assembly and the public of such opportunities.

331 Sec. 14. (NEW) (*Effective from passage*) Not later than January 1, 2011,  
332 and biannually thereafter, the Commissioner of Social Services shall  
333 appear before a joint meeting of the select committee of the General  
334 Assembly having cognizance of matters relating to children and the  
335 joint standing committees of the General Assembly having cognizance  
336 of matters relating to appropriations and the budgets of state agencies  
337 and to human services and make an oral report on (1) the progress in  
338 implementing the provisions of sections 2 to 5, inclusive, and sections 7  
339 and 8 of this act; and (2) other government actions taken to reduce the  
340 impact of the recession on children and families.

341 Sec. 15. (NEW) (*Effective from passage*) (a) The Department of Social  
342 Services, using the format prescribed by the results-based  
343 subcommittee of the joint standing committee of the General Assembly

344 having cognizance of matters relating to appropriations and the  
345 budgets of state agencies, shall submit a results-based accountability  
346 report card on the policies and interventions promoted pursuant to  
347 sections 2 to 5, inclusive, and sections 7 and 8 of this act. The  
348 department shall submit the report card on or before January 1, 2011,  
349 and annually thereafter, to the General Assembly and the joint  
350 standing committee of the General Assembly having cognizance of  
351 matters relating to appropriations and the budgets of state agencies, in  
352 accordance with the provisions of section 11-4a of the general statutes.

353 (b) The Department of Education, using the format prescribed by  
354 the results-based subcommittee of the joint standing committee of the  
355 General Assembly having cognizance of matters relating to  
356 appropriations and the budgets of state agencies, shall submit a  
357 results-based accountability report card on the policies and  
358 interventions promoted pursuant to section 6 of this act. The  
359 department shall submit the report card, on or before January 1, 2011,  
360 and annually thereafter, to the General Assembly and the joint  
361 standing committee of the General Assembly having cognizance of  
362 matters relating to appropriations and the budgets of state agencies, in  
363 accordance with the provisions of section 11-4a of the general statutes.

364 (c) The Department of Public Health, using the format prescribed by  
365 the results-based subcommittee of the joint standing committee of the  
366 General Assembly having cognizance of matters relating to  
367 appropriations and the budgets of state agencies, shall submit a  
368 results-based accountability report card on the policies and  
369 interventions promoted pursuant to section 9 of this act. The  
370 department shall submit the report card on or before January 1, 2011,  
371 and annually thereafter, to the General Assembly and the joint  
372 standing committee of the General Assembly having cognizance of  
373 matters relating to appropriations and the budgets of state agencies, in  
374 accordance with the provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>July 1, 2010</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>July 1, 2010</i>	New section
Sec. 11	<i>from passage</i>	10a-194j
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section

**KID**      *Joint Favorable Subst. C/R*

HS

**HS**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** See Below

**Municipal Impact:** See Below

**Explanation**

The bill is anticipated to result in various impacts described below. Under the bill these provisions are to be implemented within available appropriations and therefore will result in one of four outcomes: (1) the agencies will proceed with the required duties, and may require a deficiency appropriation; (2) the agencies will delay the implementation of the bill pending the approval of additional appropriations to meet these requirements; (3) the agencies will shift staff resources from other agency priorities, thereby impacting existing agency responsibilities and duties; or (4) the agencies will not be able to implement the bill.

**Section 3** requires that any change in child care subsidy eligibility or program terms be effective not less than sixty days after public notice of such change. To the extent that this causes a change to go into effect later than it otherwise would have, this could result in an impact to the state. For example, enrollment to the program can currently be closed for certain participants at any time. Under this provision, the state would experience a cost associated with keeping the program open for those participants for at least 60 days after public notice.

**Section 4** requires DSS, in consultation with the departments of Education, Children and Families, Higher Education, and the Department of Economic and Community Development, to impede homelessness. Costs may be incurred to the extent that 1) DSS is required to continue the rental assistance program if it is otherwise

closed (current annual cost of approximately \$30.9 million), 2) agencies are required to provide incentives to towns that promote affordable housing with funding that is not currently available. The extent of these costs depends on any structural changes that may be required but are not specified in the bill.

**Section 4** also requires the aforementioned agencies to work to effectuate short-term waivers of income garnishment, under certain circumstances, in order to keep families together. If such waivers were implemented it is unclear which agencies would have authority to implement the provision, the impact of which cannot be determined at this time.

**Section 6** requires the Department of Education (SDE) to administer a child nutrition outreach program to increase participation in the federal School Breakfast Program, federal Summer Food Service Program, and the federal Child and Adult Care Food Program. SDE would require minimal expenses to develop, print, and disseminate materials encouraging these programs, as the department currently conducts similar activities. To the extent that the outreach program encourages additional participation, municipalities could see an increase in federal funds. With the increase in federal funds Connecticut would be eligible to withhold a State Administrative Expenses (SAE) portion of approximately 1%. Additionally, SDE would require a part-time position to assist in the expansion of federal grants management, at a cost of approximately \$30,000 annually, plus fringe benefits.<sup>1</sup>

**Section 8** requires DSS to establish a procedure for permitting education and training as work activities for the Jobs First program. This procedure must be implemented when the state unemployment rate exceeds 8% for the preceding three months, and will remain in

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<sup>1</sup> The estimated non-pension fringe benefit rate as a percentage of payroll is 26.66% which includes health insurance, social security, Medicare, life insurance, and unemployment compensation. Fringe benefit costs for new positions do not include pension costs as new positions will not impact the state's pension contribution until FY 12 after the next scheduled actuarial valuation.

effect for at least six months even if the unemployment rate for subsequent quarters does not exceed 8%. This will result in increased costs because fewer families would leave the program due to not meeting the work requirements. Although it is not known how many cases would be affected, each additional six months of benefits costs an average of \$2,860 per case.

**Section 9** requires the Department of Public Health (DPH) to endeavor, within available appropriations, to prevent adverse outcomes related to any increase in low-birth-weight infants resulting from the recession. It is anticipated that no new services beyond those currently provided would be implemented by the agency as no new funding has been included within sHB 5018 (the Revised FY 11 Budget as favorably reported by the Appropriations Committee).

The bill allows DPH to recover costs of implementing the provisions of this section through funds available from the Tobacco and Health Trust Fund (THTF) and the federal Temporary Assistance for Needy Family Emergency Fund (TANF). It should be noted, however, that disbursement from the THTF must be per recommendation of its board of trustees (under CGS 4-28f) or otherwise directed by legislation. It is unclear whether activities under this section could be funded under TANF.

**Section 10** requires the Connecticut Health and Educational Facilities Authority (CHEFA) to allocate up to \$1.5 million from its reserves to guarantee qualifying loans for certain students who experience difficulty in obtaining financing for post-secondary education. Any funding not needed for the program will revert to CHEFA's general reserves. CHEFA, a quasi-public agency, is not a state budgeted agency.

**Section 14** requires the Departments of Social Services, Education, and Public Health to utilize results-based accountability (RBA) to create an RBA report card that analyzes the policies and interventions outlined in the bill and does not result in a fiscal impact.



The remaining sections of the bill are technical and/or have no fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5360*****AN ACT CONCERNING CHILDREN IN THE RECESSION.*****SUMMARY:**

This bill creates new state agency responsibilities, study groups, and reporting requirements intended to provide an emergency response to children affected by the recession (see BACKGROUND). The Department of Social Services (DSS) is the state agency most affected, but the other state agencies that the bill gives new responsibilities are: the departments of Children and Families (DCF), Developmental Services (DDS), Education (SDE), Economic and Community Development (DECD), Higher Education and Advancement (DHE), Labor (DOL), and Public Health (DPH). With the exception of provisions concerning the student loan program and low birth-weight infants, the added responsibilities are all to be achieved within available appropriations.

Among other things, the bill:

1. establishes a Children in the Recession Leadership team as a subcommittee of the state's Child Poverty and Prevention Council;
2. requires DSS to develop a plan for comprehensive state services, with client-friendly timelines and streamlined reapplication requirements;
3. specifies how DSS can spend emergency funds received through the federal American Recovery and Reimbursement Act (ARRA);
4. makes attending a two- or four-year degree program an

- acceptable work activity when the unemployment rate is high;
5. provides guarantees for low-interest student loans;
  6. prohibits DSS from changing eligibility criteria for the child care assistance program (Care4Kids) without 60 days advance notice;
  7. increases state agency responsibilities for administering programs for the homeless and those at risk of homelessness;
  8. calls for greater focus on reducing (a) the number of low birth-weight babies, (b) homeless children and families, and (c) food insecurity;
  9. requires DSS, SDE, and DPH to annually complete Results-Based-Accountability report cards indicating progress in implementing the provisions of the bill they have been assigned;
  10. requires the Commission on Children to research the feasibility of enacting a state children in the recession fund; and
  11. makes the commission the information coordinator for community youth leadership opportunities, keeping the public and legislature informed.

EFFECTIVE DATE: Upon passage, except the provisions on food outreach and student loans which take effect July 1, 2010

## **§ 1 — LEADERSHIP TEAM**

The bill establishes the Children in the Recession Leadership Team as a subcommittee of the state's Child Poverty and Prevention Council. The team is directed to work in consultation with government agencies to coordinate and implement an "emergency response" that:

1. mitigates the long-term impact of the economic recession on children;

2. provides appropriate assistance and resources to families to minimize (a) the number of children who enter poverty and (b) the impact of the recession that extends into adulthood through lost earnings and poor health; and
3. reduces human and fiscal costs of recessions, including foreclosures, child hunger, family violence, school failure, youth runaways, homelessness, and child abuse and neglect.

***Membership and Meetings***

Membership must include (1) the commissioners of DCF, DDS, SDE, DHE, DOL, DPH, and DSS, or their designees and (b) the council chairperson (currently the Office of Policy and Management secretary).

The team may meet at any time, but must meet monthly if (1) the state's unemployment rate for the past quarter is more than 8% or (2) the gross domestic product declines by more than 2%.

***Accomplishing Its Goals***

To accomplish its goals, the bill requires the team to develop and implement policies, practices, and procedures that reduce the recession's impact on children in both fiscal and personal terms, through:

1. improved program and policy coordination;
2. cross-agency strategic planning;
3. increased efficiencies and access points for agency clients;
4. streamlined communications for families needing access to state services;
5. short-term changes in procedures as needed to decrease family crises and poverty;
6. coordinated outreach; and
7. maximization of federal funds, including all funding

opportunities for employability and education.

The team must also use strategies to:

1. share resource information and strategic planning to address the immediate human and fiscal costs arising from the recession;
2. help families reach and use necessary services by training pertinent personnel on the availability of the service, including (a) access points and interventions across agencies and (b) child trauma treatment;
3. link job training and education pathways and opportunities; and
4. create and implement a plan to identify and support families who are at increased risk of experiencing abuse or neglect in the declining economy.

Under the bill, the team must develop and implement efforts to (1) coordinate outreach, (2) increase and improve access, (3) establish multiple enrollment sites where feasible and in response to the urgent need for services resulting from the recession, (4) maximize the availability of targeted case management and intervention services, (5) maximize federal funding opportunities to help families with jobs and services in the recession, and (6) identify regulations to be revised and procedures to be streamlined to increase program access to safety net programs including: (a) federal Supplemental Nutrition Assistance Program (food stamps); Special Supplemental Food Program for Women, Infants, and Children (WIC); and free and reduced price meal programs, including those for preschoolers, (b) Temporary Family Assistance (TFA) (cash assistance); (c) Care4Kids (subsidized child care); (d) heating (e.g., LIHEAP) and rental assistance; (e.g. RAP) and (e) eviction prevention.

The team must also identify options for reducing response times for safety net program clients and applicants.

### ***Reporting***

Beginning January 1, 2011, the bill requires a team representative to make a biannual oral report to the Appropriations and Human Services committees. The report must include information on (1) progress in implementing its statutory responsibilities and (2) other government actions taken to reduce the recession's impact on the state's children and families. No report is necessary if the team has not met in the past six months.

By the same date, the DSS commissioner must appear before the same committees and report similar information.

## **§ 2 — COMPREHENSIVE STATE SERVICES PLAN**

The bill requires DSS, in consultation with DCF, SDE, DOL, and DPH to streamline and integrate public information and access to programs to promote efficiency, reduce costs and administrative error rates, and simplify application processes. To accomplish this, the department must develop a comprehensive state plan, which may include a single-point-of-entry procedure for state-funded programs and services. Covered programs are food stamps, Care4Kids, unemployment, and medical assistance and insurance.

The plan may also include:

1. developing and promoting a single, simplified, on-line application and enrollment process;
2. using the Internet to develop and increase public access to on-line screening tools, benefit calculators, and on-line applications that facilitate prompt access to programs and benefit information; and
3. promoting access to direct assistance with application and enrollment processes through community based organizations.

DSS must submit the plan to the Children's and Human Services committees by January 31, 2011. It may consult with philanthropic organizations to finance and accomplish the plan's purposes.

***Client-Friendly Timelines***

The bill also requires DSS to develop a client-friendly and reasonable timeline in accordance with federal law. This is intended to allow families who recently applied for and were accepted into a program to return to the program after a temporary period of ineligibility (or if the program is closed and later reopened) without having to submit a new application. The department must present a plan to legislative committees by January 31, 2011.

**§ 7 — MAXIMIZING FEDERAL FUNDING IN TFA PROGRAM**

The bill directs DSS to assist families and workers facing unemployment, housing crises, increasing debt, homelessness, or other hardship by maximizing federal funding opportunities from the Assistance for Needy Families Emergency Fund created by the ARRA. That federal act creates both short-term benefits and subsidized employment funding categories.

The activities for which DSS can use the short-term benefit funds include:

1. mortgage assistance,
2. eviction relief,
3. car repairs,
4. work clothes,
5. domestic violence services,
6. home visitation services,
7. on-the-job training, and
8. extensions in TFA cash assistance eligibility periods for parents who cannot find jobs.

Under the bill, the emergency fund's subsidized employment category may be used for many purposes, including youth

employment programs and the alleviation of specific labor and state worker shortages where the jobs created will help families apply for state services.

DSS must work with the private sector, including philanthropies, businesses, and non-profit agencies, and consortia of such groups for eligible purposes and as third party participants to qualify for, access, and maximize federal funding from the emergency fund through donations, in-kind contributions, and training of subsidized workers.

### **§ 8 — MODIFYING TFA WORK REQUIREMENTS**

The bill requires DSS, within 60 days and in accordance with federal law, to establish and implement a procedure to modify the TFA program after the state unemployment rate exceeds 8% for the preceding three months. (The state unemployment rates for December 2009 and January and February of 2010 were 8.9, 9.0 and 9.1%, respectively.)

When this occurs, the bill requires TFA's Jobs First program to allow and encourage poor parents to pursue higher education or training. It must approve, as acceptable work activities, attendance at a two- or four-year higher education program, which is not currently allowed under state and federal rules.

Under the bill, the modification must remain in place for at least six months, even if the unemployment rate falls below 8% during that time. DSS must seek federal TANF emergency funds to pay for the modification.

### **§ 3 — CARE4KIDS**

Under the bill, DSS must try to help parents work, job train, or job search while their children are safe and learning. It must give the public 60 days notice before changing eligibility or program terms.

The bill also requires DSS to use all available FY 10 Care4Kids funds for child care purposes that enable parents to work and children to thrive.



**§ 4 — IMPEDING HOMELESSNESS**

The bill requires DSS, in consultation with DCF, SDE, DHE and DECD to impede homelessness which increases insecurity, poor school performance, and behavioral problems for children.

It must:

1. continue the rental assistance program to allow families to afford housing;
2. promote foreclosure prevention and mitigation through DECD, the Connecticut Housing Finance Authority, and the Connecticut Fair Housing Center; and
3. provide incentives for towns that promote affordable housing.

With respect to homeless families and youth, the bill requires DSS, in consultation with the above-stated departments to:

1. fully use the federal McKinney-Vento Homeless Act to protect
  - (a) homeless children from school failure and dropping out and
  - (b) improve their access to higher education opportunities;
2. allocate existing funding to ensure that homeless shelters accept intact families or help them find adequate alternative shelter that enables them to stay together;
3. review program eligibility requirements and policies to ensure that an unaccompanied homeless child (for example, a runaway) has access, to the fullest extent practicable to critical services that they might otherwise have been prevented from receiving because of their age or lack of a parent or guardian; and
4. work, in accordance with federal law, with appropriate state agencies to permit short-term waivers of income garnishment by state agencies to protect children and families from hardship and keep families together in cases where the commissioner of the department seeking garnishment deems a waiver to be

appropriate.

## **§§ 5 & 6 — REDUCING HUNGER**

### **DSS**

The bill requires DSS to consult with SDE and DPH to decrease recession-related hunger by coordinating state-wide access, information, and outreach, and promoting cross-enrollment and co-location of (1) entry points and (2) application processes for food stamps and WIC. Their actions are intended to improve nutritional access for families; increase federal reimbursements; and diminish the effects of food insecurity on children's cognition, behavior, developmental growth, and educational achievement.

### **SDE**

The bill requires SDE to administer a child nutrition outreach program to (1) increase participation in the federal School Breakfast, Summer Food Service, and Child and Adult Care Food programs and (2) secure federal reimbursement for the programs.

The outreach program must:

1. encourage schools to participate in the federal school breakfast program and use innovative ways to serve breakfast in classrooms or elsewhere after school starts, rather than only in the cafeteria before school;
2. apply for state grants from the in-classroom breakfast program;
3. encourage local and regional school districts to (a) sponsor Summer Food Service Program sites, (b) recruit others to sponsor sites, and (c) make grants to sponsors to help them increase children's participation;
4. encourage day care centers to participate in the Child and Adult Care Food Program; and
5. publicize the availability of federally funded child nutrition programs throughout the state.

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**§ 9 — LOW BIRTH-WEIGHT BABIES**

The bill requires DPH, in consultation with SDE and DSS, to try to prevent an increase in low birth-weight infants resulting from the recession in order to:

1. reduce the state's costs associated with unnecessary hospitalizations,
2. decrease the health and cognitive injuries to children associated with low birth weight, and
3. decrease the growing racial disparity in the frequency of low-birth weight infants by (a) maximizing WIC enrollment, (b) targeting anti-smoking programs at pregnant women, and (c) promoting the use of the centering pregnancy model of prenatal care.

DPH may recover the costs of implementing these programs through funds available from the Tobacco and Health Trust Fund and the TANF emergency fund.

**§ 15 — RESULTS-BASED ACCOUNTABILITY REPORT CARDS**

The bill requires SDE, DPH, and DSS to each submit annual results-based accountability report cards detailing the policies and interventions it promoted as required by the bill's terms. They must use the format prescribed by the Appropriations Committee's Results-Based Accountability Subcommittee. The first report must be submitted to the Appropriations Committee by January 1, 2011.

**§§ 10-11 — STUDENT LOANS**

The bill releases up to \$1.5 million from the Connecticut Health and Educational Facilities Act (CHEFA) reserves for qualifying student loans. To be eligible, students must either be (1) enrolled in an accredited Connecticut higher education institution or (2) a Connecticut resident enrolled in an out-of-state institution.

"Qualifying loan" means a loan to an eligible student that is (1)

originated by a participating bank, credit union, or other entity, (2) consistent with its student loan underwriting standards, (3) bearing an annual interest rate of no more than 6%, and (4) disbursed no later than July 1, 2011.

CHEFA must hold the funds in a separate account; they revert to CHEFA's general reserves when they are no longer needed to be held. The account must be used to provide a first loss guarantee to participating banks, credit unions, or entities not exceeding 20% of the outstanding principal amount of the loans originated by the credit unions (it appears that the bill inadvertently omits banks and other entities originating the loans). Any individual CHEFA-guaranteed loan cannot be more than 20% of its original principal balance.

## **§§ 12 — CHILDREN IN THE RECESSION FUND**

The bill directs the Commission on Children, in consultation with the private sector, to research the feasibility of enacting a state "children in the recession fund." It would provide funds and low-interest loans to families facing a short-term crisis in housing, utilities, hunger, or unemployment.

The commission must report its findings to the Appropriations Committee by January 1, 2011.

## **BACKGROUND**

### ***Economic Recession***

Although there is no universal definition of economic recession, the widely accepted National Bureau of Economic Research definition is that a recession occurs when gross domestic product has dropped for two consecutive quarters. Under this definition, the United States is not currently in recession. But, high unemployment rates are also a strong indicator of a recession. According to the Bureau of Labor Statistics, Connecticut's unemployment rate stood at 9.1% in February 2010, up from 9.0% and 8.8%, respectively, in the two preceding months.

## **COMMITTEE ACTION**

## Select Committee on Children

Joint Favorable Substitute Change of Reference

Yea 9 Nay 3 (03/09/2010)

## Human Services Committee

Joint Favorable

Yea 13 Nay 6 (03/18/2010)